

The present invention provides an innovative modality of credit card payment processing, that can benefit all parties involved in a transaction, particularly when the consumer has a wireless device such as a cell phone and is present at a merchant's place of business. In certain embodiments, the invention provides that a wireless telecommunications network operator ("telecommunications carrier") validates the identities of credit card users who use wireless devices such as cellular telephones (and who therefore subscribe to the carrier's service), and to ensure that the credit card users approve the transactions and receive receipts for the transactions.

This is a significant and advantageous departure from known prior art methods of validating credit card transactions. The invention is advantageous in that it can help to reduce fraud risk while being capable of implementation using existing communications and computing hardware infrastructure and without the necessity to retrain merchants or consumers to a different payment paradigm.

Claim 1

In accordance with the above, claim 1 provides:

1. A method for a telecommunications carrier to facilitate a credit card transaction between a consumer and a provider of a product or service, the method comprising:

the telecommunications carrier providing telecommunications services to users of a plurality of wireless communications devices on a wireless communications network, the plurality of users including said consumer; and

the telecommunications carrier validating the credit card transaction between the consumer and the provider.

(Emphasis added.)

O'Leary provides no disclosure or suggestion of such a method, and in particular, of a telecommunications carrier validating a credit card transaction between a consumer and a provider of goods or services, nor any indication of why that would be desirable.

In the Office Action, the Examiner states:

[A] telecommunications carrier must be involved since a cell phone is being used. It would be obvious . . . to use a telecommunications carrier to enable telephony and computer communications, be it wireless or otherwise. Office Action, pp.5-6.

The Examiner seems to miss the point (and a clear limitation) of claim 1. As previously stated, Applicants do not deny that a telecommunications carrier is involved when a cell phone is used to communicate over a wireless network. However, O'Leary fails to even remotely suggest giving the telecommunications carrier any role in a credit card transaction beyond simply providing telecommunications services, much less suggesting that the telecommunications carrier actually validates the transaction. There is no hint in O'Leary of even the desirability of having a telecommunications carrier validate a credit card transaction.

It appears that the Examiner is citing O'Leary at col. 10, lines 21-33 as allegedly disclosing a telecommunications carrier validating a transaction (Office Action, p. 6). However, that section of text in O'Leary merely describes generally what tasks a user can accomplish (see line 24) with the PPP enhanced Wallet software, not what a telecommunications carrier does. For at least these reasons, therefore, the invention as recited in claim 1 would not be obvious based on O'Leary.

In addition, note that O'Leary and the present invention are directed to entirely different payment paradigms. The present invention is mainly concerned with scenarios

in which a consumer is physically present at the merchant's business location (although that does not have to be the case). O'Leary, in contrast, is mainly directed toward scenarios in which a consumer is interacting with a merchant's web site (see col. 15, lines 24-45), even though that may be accomplished from a wireless device. Furthermore, the technique disclosed in O'Leary, unlike the present invention, appears to require the adoption of significant additional infrastructure (see O'Leary at Fig. 2 and col. 4, lines 54-65) and retraining of consumers to use that infrastructure. For these additional reasons, therefore, the present invention as recited in claim 1 would not be obvious based on O'Leary.

Claim 33

Claim 33 recites:

33. A method of facilitating a credit card transaction between a consumer and a provider of a product or service, the method comprising:
 receiving information associated with the transaction from a remote terminal operated by the provider;
 determining whether the transaction is of a predetermined type;
 if the transaction is determined *not* to be of the predetermined type, then initiating a transaction approval process by transmitting at least a portion of the received information to a clearing network for approval of the transaction;
 if the transaction is determined to be of the predetermined type, then
 transmitting the received information to a remote validation entity *other than the clearing network* over a secure channel, to enable validation of the transaction by the remote validation entity, and
 upon receiving an indication that the transaction has been validated by the remote validation entity, initiating a transaction approval process by transmitting at least a portion of the information to the clearing network for approval of the transaction. (Emphasis added.)

O'Leary does not disclose or suggest a method such as recited in claim 33, particularly the combination of operations emphasized above in bold. Applicants find no disclosure or suggestion in O'Leary of transmitting received credit card transaction information to a clearing network or to some other validation entity, for validation, depending on whether or not the transaction is determined to be of a predetermined type, as recited in claim 33. Regarding these claim imitations, the Examiner cites O'Leary at col. 5, lines 42-50; col. 4, lines 54-65; col. 10 lines 21-32; and col. 10 lines 24-32 and col. 16 lines 17-30 (Office Action, p. 3). However, there is no disclosure or suggestion, in these sections or anywhere else in O'Leary, of the recited combination of operations, nor is the recited combination of operations inherent in the system or technique in O'Leary.

For example, the Examiner cites col. 4, lines 54-65 regarding the limitation, "if the transaction is determined to be of the predetermined type, then transmitting the received information to a remote validation entity other than the clearing network over a secure channel". However, all that is disclosed in that section is a summary of the structural components of the system in O'Leary. There is no hint of the recited claim limitation there or elsewhere in O'Leary. Applicants also find the other specifically cited sections in O'Leary to similarly lack relevance to the limitations in claim 33.

It is not clear what entity in O'Leary the Examiner considers to be the "clearing network" of claim 33 and what entity the Examiner considers to be the "validation entity *other than the clearing network*" in claim 33. If the Examiner is inclined to maintain this rejection (which Applicants submit would be improper), then the Examiner is requested

to specifically identify in the next Office Action what entity or entities in O'Leary the Examiner considers to be the "clearing network" and the "validation entity other than the clearing network", and to further clarify where in O'Leary the recited combination of operations is disclosed, particularly the claim feature that the destination of the transmitted transaction information, for validation, is either a clearing network or a validation entity other than the clearing network, depending on whether or not the transaction is determined to be of a predetermined type.

Applicants also respectfully submit that, where a claim includes elements or steps that have particular explicitly recited functional relationships to each other, it is not proper to merely point to different unrelated bits of disclosure in a cited reference, ignoring the recited relationships between claim elements, and conclude there is anticipation. Similarly, regarding obviousness, it is not correct to argue that the separate elements or steps of a combination claim taken by themselves are known or obvious and that "therefore" the subject-matter claimed is obvious. Under section 103, the claimed invention as a whole must be obvious to support a rejection. 35 U.S.C. § 103(a). See also Ruiz v. Chance, 357 F.3d 1270, 2004 U.S. App. LEXIS 1325, *9 (Fed. Cir. 2004); In re Fritch, 972 F.2d 1260, 1266 (1992).

Applicant therefore respectfully submits that claim 33 is not anticipated by O'Leary, nor would the claimed method as a whole be obvious based on O'Leary (see also discussion of claim 1 regarding obviousness).

Claim 39

Claim 39 recites:

39. A method of a **telecommunications carrier** facilitating a credit card transaction between a consumer using a wireless communication device and a provider of a product or service, the method comprising:

- providing telecommunications services** to users of a plurality of wireless communications devices on a wireless communications network, including storing user account information for each of the plurality of users, the plurality of users including said consumer;
- storing personal information of the consumer in a database within a trusted domain, the trusted domain excluding the consumer and the provider, the personal information including a credit card number of a credit card issued to the consumer;
- receiving information for requesting the transaction from a remote entity, the information for requesting the transaction including a unique identifier of the wireless communication device, an amount of the transaction, and a provider identifier;
- storing the information for requesting the transaction;
- identifying the wireless communication device and an associated user account based on the unique identifier;
- verifying that the wireless communication device is in geographic proximity to the provider;**
- sending information on the transaction to the wireless communication device via a wireless network;
- receiving a signal from the wireless communication device indicating acceptance of the transaction by the consumer;
- receiving a personal identification code from the wireless communication device via the wireless communications network;
- using the received personal identification code and the stored personal information on the consumer to verify the identity of the consumer, and
- if the identity of the consumer is verified, sending to a remote entity a transaction request including information on the transaction and the credit card number, for initiation of a transaction approval process, wherein the credit card information of the consumer is not permitted to pass outside the trusted domain;
- receiving a signal indicating the transaction has been approved;
- and
- in response to receiving the signal indicating the transaction has been approved,
 - storing a digital receipt of the transaction, and
 - sending a signal to the wireless communication device over the wireless communication network to cause the wireless communication device to output a message confirming completion of the transaction.

O'Leary does not disclose or suggest a method such as recited in claim 39.

Firstly, Applicants' above arguments regarding claim 1 also apply to claim 39. Claim 39 more specifically recites operations performed by a telecommunications carrier (note the preamble and first step). Claim 39 is therefore patentable over the cited art for at least the reasons stated above regarding claim 1.

Secondly, regarding the limitation, "verifying that the wireless communication device is in geographic proximity to the provider," the Examiner admits that O'Leary does not teach this claim feature; however, the Examiner contends:

O'Leary does disclose that the communication device is operable either in a virtual or physical market place and that payment can take place virtually anywhere (column 4, lines 38 – 46 and column 6, line 61 – column 7, line 2). It would be obvious . . . that the communication system as disclosed by O'Leary would process transactions both when the device is within proximity to the provider and when not. The motivation would be to provide commerce services in both Internet as well as brick-and-mortar environments. (Office Action, p. 17)(emphasis added).

Applicants respectfully submit that if the Examiner is correct that the communication system in O'Leary "would process transactions both when the device is within proximity to the provider and when not", then there would be no reason in such a system to verify that the wireless communication device is in geographic proximity to the provider, since that information would not be relevant to the transaction. Therefore, Applicants respectfully submit that the Examiner's reasoning is flawed. In contrast, with the present invention as recited in claim 39, verifying that the wireless communication device is in geographic proximity to the provider is an important aspect of preventing a fraudulent transaction. Again, note that O'Leary and the present invention are directed to completely different payment paradigms (the invention being mainly directed to

situations where the consumer is physically present at the merchant's place of business, while O'Leary is not). O'Leary does not disclose or suggest (at least) this element of claim 39. For this additional reason, therefore, claim 39 is patentable over the cited art.

Thirdly, it is not correct to argue that the separate elements or steps of a combination claim taken by themselves are disclosed in the cited art and that "therefore" the subject-matter claimed is obvious. Under section 103, the claimed invention as a whole must be obvious to support a rejection. 35 U.S.C. § 103(a). See also Ruiz v. Chance, 357 F.3d 1270, 2004 U.S. App. LEXIS 1325, *9 (Fed. Cir. 2004); In re Fritch, 972 F.2d 1260, 1266 (1992). The method in claim 39, as a whole, would not be obvious based on O'Leary.

For at least the above reasons, therefore, Applicants respectfully submit that claim 39 is patentable over the cited art.

Claim 41

Claim 41 recites:

41. A method of facilitating a credit card transaction between a consumer and a provider of a product or service, the method comprising:
 providing a computer-implemented portal, through which the consumer can remotely access a commerce application;
 storing personal information of the consumer in a database within a trusted domain, the trusted domain excluding the consumer and the provider, the personal information including a credit card number of a credit card issued to the consumer;
 receiving, from a remote entity within the trusted domain, information for requesting the transaction, including an amount of the transaction and a provider identifier;
 storing the information for requesting the transaction;
 generating a session identifier corresponding to the transaction in response to receiving the information for requesting the transaction;

associating the session identifier with the stored information for requesting the transaction;
sending the session identifier to a remote entity, for subsequent communication to the consumer,
receiving a confidential personal identification code and a **user-input session identifier** from a wireless communication device via a wireless communications network;
using the received personal identification code, the user-input session identifier, and the stored personal information of the consumer to **attempt to validate the transaction**, including
using the personal identification code and the stored personal information to verify the identity of the consumer, and
using the **user-input session identifier to look up the stored information for requesting the transaction and to associate the consumer with the transaction**;
if the transaction is successfully validated, then sending information on the transaction to the wireless communication device over the wireless network, to cause the wireless communication device to output a prompt to accept or decline the transaction;
receiving a signal from the wireless communication device indicating acceptance of the transaction;
in response to receiving the signal indicating acceptance of the transaction, sending to the remote entity a transaction request including information on the transaction and the credit card number, for initiation of a transaction approval process by a clearing network, without sending the credit card information outside the trusted domain;
receiving a signal indicating the transaction has been approved by the clearing network; and
in response to receiving the signal indicating the transaction has been approved by the clearing network,
storing a digital receipt of the transaction in association with the identity of the consumer; and
sending a signal to the wireless communication device over the wireless communication network to cause the wireless communication device to output a message confirming completion of the transaction.
(Emphasis added.)

O'Leary does not disclose or suggest a method such as recited in claim 39.

Firstly, in contrast with claim 41, O'Leary provides no disclosure or suggestion of receiving, from a remote entity within the trusted domain, information for requesting a transaction, including an amount of the transaction and a provider identifier. The

Examiner cites O'Leary at col. 15 line 66 – col. 16 line 1 as allegedly disclosing this functionality (Office Action, p. 19). That section of text states, "In step 2F, the merchant site 255 generates and transmits to the user a bill payment message containing information with respect to the prospective purchase." However, to the extent O'Leary may disclose a "trusted domain", the merchant is outside that trusted domain (see col. 4, lines 43-47; col. 5 lines 57-60). Therefore, the merchant cannot be the "remote entity" in the above-mentioned claim limitation, since that "remote entity" must be within the trusted domain, per the claim language. Nowhere does O'Leary disclose or suggest receiving, from a remote entity within the trusted domain, information for requesting a transaction, including an amount of the transaction and a provider identifier. For at least this reason, therefore, claim 41 is patentable over the cited art.

Secondly, in contrast with claim 41, O'Leary provides no disclosure or suggestion of sending a session identifier corresponding to the transaction to a remote entity, for subsequent communication to the consumer. O'Leary does disclose that a "transaction number" is "included in each communication" (col. 11, lines 26). However, there is no suggestion that such communications include an entity sending the transaction identifier to another entity, for subsequent communication to the consumer, or of why that might be desirable. For this additional reason, therefore, claim 41 is patentable over the cited art.

Thirdly, O'Leary provides no disclosure or suggestion of using a user-input session identifier, as in certain operations recited in claim 41, nor of using a user-input session identifier to look up stored information for requesting a transaction and to associate the consumer with the transaction. From the disclosure in O'Leary, it is

apparent that the disclosed "transaction number" is machine-generated and is not input by a user. There is no need for a user to input the transaction number in the technique in O'Leary, and in fact, requiring that would seem to complicate the user's experience in the context of that technique. For this additional reason, therefore, claim 41 is patentable over the cited art.

For at least the above reasons, therefore, Applicants respectfully submit that claim 41 is patentable over the cited art.

Conclusion

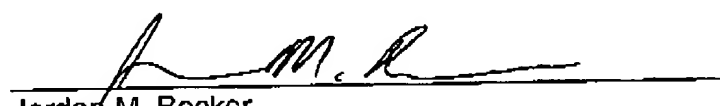
For the foregoing reasons, the present application is believed to be in condition for allowance, and such action is earnestly requested.

If there are any additional charges, please charge Deposit Account No. 02-2666.

Respectfully submitted,

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Dated: January 20, 2006


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